



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10**

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OFFICE OF
ENVIRONMENTAL REVIEW
AND ASSESSMENT

May 29, 2018

Jamie R. Hyslop
Project Manager
U.S. Army Corps of Engineers
Alaska District, Regulatory Division
P.O. Box 6898
JBER, Alaska 99506-0898

Dear Mr. Hyslop:

The U.S. Environmental Protection Agency is responding to Special Public Notice SPN-1995-120, dated April 27, 2018. The SPN provides notice that the Alaska District has completed the Final Environmental Impact Statement for the proposed Donlin Gold Project and solicits comments on the applicant's compensatory mitigation plan. As identified in the SPN, the proposed project would include the construction of an open-pit, hard rock gold mine located 10 miles north of the village of Crooked Creek, Alaska; a 316-mile-long natural gas pipeline; a barge landing port downstream from Crooked Creek at Jungjuk; and a 30-mile-long access road from Jungjuk to the mine site.

Mine facilities would include a two-square-mile open pit with a maximum depth of 1,850 feet. The pit would be allowed to fill with water post-closure. A 2,500-acre waste rock facility would be located east of the pit in the American Creek valley. A 2,300-acre tailing storage facility would be built in the Anaconda Creek valley. The tailings storage facility would be lined, and aqueous tailings would be contained by a 471-foot-high dam.

Chapter 3.11 of the FEIS states that mine components would result in direct impacts to 4,289 acres of wetlands and 47.1 miles of streams. An additional 1,694 acres of wetlands, and 19.6 miles of streams would be affected by secondary impacts including dewatering from drawdown of the groundwater aquifer and dust deposition. The elimination of wetlands, combined with the loss of tributary and groundwater flows is predicted to reduce the annual discharge of Crooked Creek by approximately 12 percent. Flow reductions in Crooked Creek would be greatest during the winter, when the Creek could go completely dry adjacent to the mine site.

A Public Notice was issued for this proposed project concurrent with issuance of the Draft EIS on November 25, 2015. EPA submitted comments at that time, expressing the opinion that the adverse impacts on the Kuskokwim River and Crooked Creek identified in the DEIS would be substantial and unacceptable.

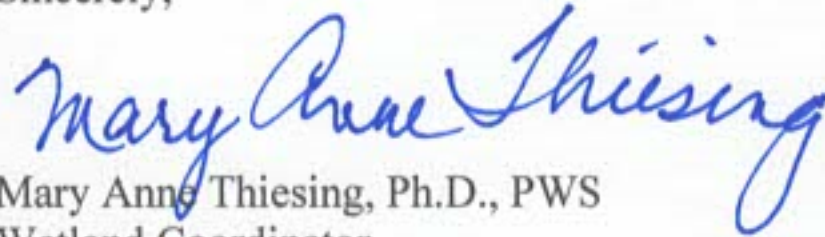
Donlin Gold's revised Department of the Army permit application, and the FEIS, indicate that much of the proposed fill is unavoidable. At the same time, the record indicates that many of the predicted functional impacts, particularly those to the Kuskokwim River and Crooked Creek, may be further avoided and minimized. The current SPN solicits comments only on the applicant's compensatory mitigation plan; however, our review of the FEIS has identified measures which could be taken to further avoid and minimize wetland and other aquatic resources which are not articulated in the relevant

portions of the compensatory mitigation plan. In light of this, we are identifying those measures and providing broader comments to articulate our perspective on compliance with the Clean Water Act Section 404(b)(1) Guidelines (Guidelines). In addition to comments on the proposed compensatory mitigation projects, our detailed comments in the enclosure suggest ways that the applicant has identified that could further avoid and minimize impacts to the aquatic environment. Our comments specifically address the Least Environmentally Damaging Practicable Alternative (LEDPA), the potential for significant degradation, and specific measures to minimize flow impacts to Crooked Creek.

Although the FEIS does not contain an analysis of compliance with the Guidelines, it is our understanding that the Alaska District will analyze compliance with the Guidelines prior to issuing the Record of Decision. The EPA sees a clear path forward, where Donlin Gold can incorporate changes to the current proposed action and augment the record to demonstrate compliance with the Guidelines. Our comments in the enclosure are intended to articulate that path.

Thank you for the opportunity to provide comments on this proposal. Should you have any questions or require further information, please do not hesitate to contact me at (206) 553-6114 or by email at thiesing.mary@epa.gov, or else contact Matthew LaCroix in our Alaska Operations Office at (907) 271-1480 or by email at lacroix.matthew@epa.gov.

Sincerely,



Mary Anne Thiesing, Ph.D., PWS
Wetland Coordinator

Enclosure